

Hearing Date and Time:

March 25, 2020 at 10:00 a.m.

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(pro hac vice)

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Local Counsel for

BH North American Corporation

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X

In re:

Chapter 11

SEARS HOLDING CORPORATION, *et al.*¹,

Case No. 18-23538 (RDD)

Debtors.

(Jointly Administered)

-----X

**DECLARATION OF DAN FOUST IN SUPPORT OF RESPONSE OF BH
NORTH AMERICAN CORPORATION
IN OPPOSITION TO THE DEBTORS' ELEVENTH
OMNIBUS OBJECTION TO PROOFS OF CLAIM**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

DAN FOUST, declares under 28 U.S.C. §1746:

1. I am the president and CEO of BH NORTH AMERICAN CORPORATION (“BH NA”).

2. I submit the declaration in support of BH NA’s response in opposition to the Debtors’ Eleventh Omnibus Objection to Proofs of Claim (the “Objection”) and specifically the objection to BH NA proof of claim no. 14685 (the “Subject Proof of Claim”).

3. I make this declaration based upon my own personal knowledge and on a review of the Objection, the Subject Proof of Claim and the books and records of BH NA pertaining to the accounts with the Sears Debtors. If called upon as a witness, I could and would testify competently to the contents of this declaration.

4. BH NA, is headquartered in St. Charles, Missouri. BH NA distributes cardiovascular, and strength equipment.

5. BH NA sold goods to the Debtors over a number of years.

6. After receipt of a purchase order from the Debtors, the goods (that are the subject of the claim objection) were manufactured in China and/or Taiwan, delivered to a freight forwarder who delivered the goods to a common carrier at the port of origin who then shipped the goods to the United States where the goods were thereafter transported by rail and/or by truck and physically delivered to the various Sears stores located in the United States.

7. As of the October 15, 2018, petition date for the Debtors, BH NA had multiple unpaid invoices resulting from goods ordered by the Debtors and thereafter delivered by BH NA.

8. BH NA timely filed two (2) proofs of claim in the Debtor’s consolidated Chapter 11 cases (only one of which is subject to objection in the Objection):

a. Proof of Claim #14685 (Sears Roebuck & Co.). The BH NA proof of claim filed against Sears Roebuck & Co. is in the total amount of \$332,220.00 (the “Subject Proof of Claim”) and consists of:

i. a 503(b)(9) an administrative priority claim consisting of two (2) unpaid invoices (INVC46824 for \$94,920 and INVC46869 for \$94,920) totaling \$189,840; and

ii. an unsecured non-priority claim consisting of two (2) unpaid invoices totaling \$142,380.00.

A true and correct copy of the Subject Proof of Claim (#14685) (including copies of the two unpaid invoices asserted as section 503(b)(9) claims) is attached as **Exhibit “A”**.

b. Proof of Claim #15032 (Sears Holding Co.)². The BH NA proof of claim filed against Sears Holding Co. is in the total amount of \$69,395.00 and consists of:

i. a 503(b)(9) an administrative priority claim consisting of four (4) unpaid invoices totaling \$8,200.00; and

ii. an unsecured non-priority claim consisting of seventeen (17) unpaid invoices totaling \$61,195.00.

9. The shipping terms for the goods identified in the unpaid invoices were all FOB (or “Free on Board” or “Freight on Board”) from the port of origin meaning the Debtors, as buyer, will take the title of the goods when they are shipped from the port of origin, at which point the Debtors will incur all the transportation costs from the shipping location to the final destination and also assume the risk of loss.

² Proof of Claim #15032 is not subject to objection in the Debtors’ 11th Omnibus Objection to Proofs of Claim.

10. According to the Forwarder's Cargo Receipts for each of the two invoices asserted by BH NA to qualify for administrative expense priority:

a. For invoice INVC46824 dated September 27, 2018, for \$94,920, the goods were delivered to Sears' freight forwarder on September 7, 2018, but were not transferred to the common carrier sometime thereafter finally arriving at the designated Sears store at least three to four weeks later and during the 20-day period prior to the October 15, 2018, petition date; and

b. For invoice INVC46869 dated October 4, 2018, for \$94,920, the goods were delivered to Sears' freight forwarder on September 29, 2018, but were not transferred to the common carrier sometime thereafter finally arriving at the designated Sears store at least three to four weeks later and during the 20 day period prior to the October 15, 2018, petition date;

True and correct copies of the Forwarder's Cargo Receipts for the two unpaid invoices asserted as section 503(b)(9) claims identifying the dates the manufacturer in China delivered the goods set forth in the invoices to the Sears freight forwarder for shipment are attached as **Exhibit "B"**.

11. In Exhibit "A" to the Debtors' Objection, Debtors seeks to reclassify one of the two \$94,920 invoices (the "Disputed Invoice") asserted by BH NA in the Subject Proof of Claim as qualifying for section 503(b)(9) administrative expense priority as an unsecured non-priority claim thereby reducing the 503(b)(9) administrative expense priority claim to \$94,920 and increasing the unsecured non-priority claim to \$237,300.

12. For purposes of this opposition, BH NA assumes that Invoice INVC46824 dated September 27, 2018, for \$94,920 is the Disputed Invoice but the Objection fails to specify which invoice is being reclassified. Both invoices are for \$94,920.

I declare under the penalty of perjury that the foregoing is true and correct.

Executed this 2nd day of March, 2020 at St. Charles, Missouri.

/s/ Dan Foust

DAN FOUST

EXHIBIT A

UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

Fill in this information to identify the case (Select only one Debtor per claim form):

<input type="checkbox"/> Sears Holdings Corporation (18-23538)	<input type="checkbox"/> Kmart Corporation (18-23549)	<input type="checkbox"/> Sears, Roebuck de Puerto Rico, Inc. (18-23561)	<input type="checkbox"/> MyGofer LLC (18-23573)	<input type="checkbox"/> Kmart.com LLC (18-23585)
<input checked="" type="checkbox"/> Sears, Roebuck and Co. (18-23537)	<input type="checkbox"/> MaxServ, Inc. (18-23550)	<input type="checkbox"/> SYW Relay LLC (18-23562)	<input type="checkbox"/> Sears Brands Business Unit Corporation (18-23574)	<input type="checkbox"/> Sears Brands Management Corporation (18-23586)
<input type="checkbox"/> Kmart Holding Corporation (18-23539)	<input type="checkbox"/> Private Brands, Ltd. (18-23551)	<input type="checkbox"/> Wally Labs LLC (18-23563)	<input type="checkbox"/> Sears Holdings Publishing Company, LLC (18-23575)	<input type="checkbox"/> SHC Licensed Business LLC (18-23616)
<input type="checkbox"/> Kmart Operations LLC (18-23540)	<input type="checkbox"/> Sears Development Co. (18-23552)	<input type="checkbox"/> Big Beaver of Florida Development, LLC (18-23564)	<input type="checkbox"/> Kmart of Michigan, Inc. (18-23576)	<input type="checkbox"/> SHC Promotions LLC (18-23630)
<input type="checkbox"/> Sears Operations LLC (18-23541)	<input type="checkbox"/> Sears Holdings Management Corporation (18-23553)	<input type="checkbox"/> California Builder Appliances, Inc. (18-23565)	<input type="checkbox"/> SHC Desert Springs, LLC (18-23577)	<input type="checkbox"/> SRe Holding Corporation (19-22301)
<input type="checkbox"/> ServiceLive, Inc. (18-23542)	<input type="checkbox"/> Sears Home & Business Franchises, Inc. (18-23554)	<input type="checkbox"/> Florida Builder Appliances, Inc. (18-23566)	<input type="checkbox"/> SOE, Inc. (18-23578)	
<input type="checkbox"/> A&E Factory Service, LLC (18-23543)	<input type="checkbox"/> Sears Home Improvement Products, Inc. (18-23555)	<input type="checkbox"/> KBL Holding Inc. (18-23567)	<input type="checkbox"/> StarWest, LLC (18-23579)	
<input type="checkbox"/> A&E Home Delivery, LLC (18-23544)	<input type="checkbox"/> Sears Insurance Services, L.L.C. (18-23556)	<input type="checkbox"/> KLC, Inc. (18-23568)	<input type="checkbox"/> STI Merchandising, Inc. (18-23580)	
<input type="checkbox"/> A&E Lawn & Garden, LLC (18-23545)	<input type="checkbox"/> Sears Procurement Services, Inc. (18-23557)	<input type="checkbox"/> Sears Protection Company (Florida), L.L.C. (18-23569)	<input type="checkbox"/> Troy Coolidge No. 13, LLC (18-23581)	
<input type="checkbox"/> A&E Signature Service, LLC (18-23546)	<input type="checkbox"/> Sears Protection Company (18-23558)	<input type="checkbox"/> Kmart of Washington LLC (18-23570)	<input type="checkbox"/> BlueLight.com, Inc. (18-23582)	
<input type="checkbox"/> FBA Holdings Inc. (18-23547)	<input type="checkbox"/> Sears Protection Company (PR) Inc. (18-23559)	<input type="checkbox"/> Kmart Stores of Illinois LLC (18-23571)	<input type="checkbox"/> Sears Brands, L.L.C. (18-23583)	
<input type="checkbox"/> Innovel Solutions, Inc. (18-23548)	<input type="checkbox"/> Sears Roebuck Acceptance Corp. (18-23560)	<input type="checkbox"/> Kmart Stores of Texas LLC (18-23572)	<input type="checkbox"/> Sears Buying Services, Inc. (18-23584)	

Proof of Claim

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Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense, other than a claim entitled to administrative priority pursuant to 11 U.S.C. § 503(b)(9). Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	BH North America Corporation Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor BH North America	
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____	
3. Where should notices and payments to the creditor be sent? Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	Where should notices to the creditor be sent? Martin A. Eliopoulos, Esq. Higgs, Fletcher & Mack LLP 401 West "A" St., Ste. 2600 San Diego, CA 92101 Contact phone 619.236.1551 Contact email elio@higgslaw.com	Where should payments to the creditor be sent? (if different) Dan Foust, President/CEO BH North America 620 N. 2nd Street St. Charles, MO 63301 Contact phone 636.487.0050 Ext. 103 Contact email DanFoust@BHNorthAmerica.com
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY	
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____	

Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? ☐ No
☒ Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: 0 0 5

7. How much is the claim? \$ 332,220.00 Does this amount include interest or other charges?
☒ No
☐ Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or creditcard.
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
Limit disclosing information that is entitled to privacy, such as health care information.

Goods Sold

9. Is all or part of the claim secured? ☒ No
☐ Yes. The claim is secured by a lien on property.

Nature of property:

- ☐ Real estate. If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
☐ Motor vehicle
☐ Other. Describe: _____

Basis for perfection: _____

Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: \$ _____

Amount of the claim that is secured: \$ _____

Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: \$ _____

Annual Interest Rate (when case was filed) _____ %

- ☐ Fixed
☐ Variable

10. Is this claim based on a lease? ☒ No
☐ Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff? ☒ No
☐ Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

☒ No
☐ Yes. Check one:

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

☐ Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). Amount entitled to priority \$ _____

☐ Up to \$2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). Amount entitled to priority \$ _____

☐ Wages, salaries, or commissions (up to \$12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). Amount entitled to priority \$ _____

☐ Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). Amount entitled to priority \$ _____

☐ Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). Amount entitled to priority \$ _____

☐ Other. Specify subsection of 11 U.S.C. § 507(a)() that applies. Amount entitled to priority \$ _____

* Amounts are subject to adjustment on 4/01/19 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim entitled to administrative priority pursuant to 11 U.S.C. § 503(b)(9)?

☐ No
☒ Yes. Indicate the amount of your claim arising from the value of any goods received by the Debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim. \$ 189,840.00

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- ☐ I am the creditor.
☒ I am the creditor's attorney or authorized agent.
☐ I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
☐ I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Signature: Martin A. Eliopoulos
Martin A. Eliopoulos (Apr 8, 2019)

Email: elio@higgslaw.com

Signature

Print the name of the person who is completing and signing this claim:

Name of the person who is completing and signing this claim:

Name Martin A. Eliopoulos, Esq.
First name Middle name Last name

Title Attorneys for BH North America Corporation

Company Higgs, Fletcher & Mack LLP
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 401 West A St., Ste. 2600
Number Street

San Diego CA 92101
City State ZIP Code

Contact phone 619.236.1551 Email elio@higgslaw.com

Attach Supporting Documentation (limited to a single PDF attachment that is less than 5 megabytes in size and under 100 pages):

☒ I have supporting documentation.
(attach below)

☐ I do not have supporting documentation.



Attachment

PLEASE REVIEW YOUR PROOF OF CLAIM AND SUPPORTING DOCUMENTS AND REDACT ACCORDINGLY PRIOR TO UPLOADING THEM. PROOFS OF CLAIM AND ATTACHMENTS ARE PUBLIC DOCUMENTS THAT WILL BE AVAILABLE FOR ANYONE TO VIEW ONLINE.

IMPORTANT NOTE REGARDING REDACTING YOUR PROOF OF CLAIM AND SUPPORTING DOCUMENTATION When you submit a proof of claim and any supporting documentation you must show only the last four digits of any social-security, individual's tax-identification, or financial-account number, only the initials of a minor's name, and only the year of any person's date of birth. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information.

A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. The responsibility for redacting personal data identifiers (as defined in Federal Rule of Bankruptcy Procedure 9037) rests solely with the party submitting the documentation and their counsel. Prime Clerk and the Clerk of the Court will not review any document for redaction or compliance with this Rule and you hereby release and agree to hold harmless Prime Clerk and the Clerk of the Court from the disclosure of any personal data identifiers included in your submission. In the event Prime Clerk or the Clerk of the Court discover that personal identifier data or information concerning a minor individual has been included in a pleading, Prime Clerk and the Clerk of the Court are authorized, in their sole discretion, to redact all such information from the text of the filing and make an entry indicating the correction.

Modified Form 410

Instructions for Proof of Claim

United States Bankruptcy Court

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These instructions and definitions generally explain the law. In certain circumstances, such as bankruptcy cases that debtors do not file voluntarily, exceptions to these general rules may apply. You should consider obtaining the advice of an attorney, especially if you are unfamiliar with the bankruptcy process and privacy regulations.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both.
18 U.S.C. §§ 152, 157 and 3571.

How to fill out this form

- Fill in all of the information about the claim as of the date the case was filed.
- Fill in the caption at the top of the form.
- If the claim has been acquired from someone else, then state the identity of the last party who owned the claim or was the holder of the claim and who transferred it to you before the initial claim was filed.
- Attach any supporting documents to this form.
Attach redacted copies of any documents that show that the debt exists, a lien secures the debt, or both. (See the definition of *redaction* on the next page.)
Also attach redacted copies of any documents that show perfection of any security interest or any assignments or transfers of the debt. In addition to the documents, a summary may be added. Federal Rule of Bankruptcy Procedure (called "Bankruptcy Rule") 3001(c) and (d).
- Do not attach original documents because attachments may be destroyed after scanning.
- If the claim is based on delivering health care goods or services, do not disclose confidential health care information. Leave out or redact confidential information both in the claim and in the attached documents.

- A *Proof of Claim* form and any attached documents must show only the last 4 digits of any social security number, individual's tax identification number, or financial account number, and only the year of any person's date of birth. See Bankruptcy Rule 9037.
- For a minor child, fill in only the child's initials and the full name and address of the child's parent or guardian. For example, write *A.B., a minor child (John Doe, parent, 123 Main St., City, State)*. See Bankruptcy Rule 9037.

Confirmation that the claim has been filed

To receive confirmation that the claim has been filed, either enclose a stamped self-addressed envelope and a copy of this form. You may view a list of filed claims in this case by visiting the Claims and Noticing Agent's website at <http://restructuring.primeclerk.com/sears>.

Understand the terms used in this form

Administrative expense: Generally, an expense that arises after a bankruptcy case is filed in connection with operating, liquidating, or distributing the bankruptcy estate.
11 U.S.C. § 503.

Claim: A creditor's right to receive payment for a debt that the debtor owed on the date the debtor filed for bankruptcy.
11 U.S.C. § 101 (5). A claim may be secured or unsecured.

Claim Pursuant to 11 U.S.C. §503(b)(9): A claim arising from the value of any goods received by the Debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of the Debtor's business. Attach documentation supporting such claim.

Creditor: A person, corporation, or other entity to whom a debtor owes a debt that was incurred on or before the date the debtor filed for bankruptcy. 11 U.S.C. §101 (10).

Debtor: A person, corporation, or other entity who is in bankruptcy. Use the debtor's name and case number as shown in the bankruptcy notice you received. 11 U.S.C. § 101 (13).

Evidence of perfection: Evidence of perfection of a security interest may include documents showing that a security interest has been filed or recorded, such as a mortgage, lien, certificate of title, or financing statement.

Information that is entitled to privacy: A *Proof of Claim* form and any attached documents must show only the last 4 digits of any social security number, an individual's tax identification number, or a financial account number, only the initials of a minor's name, and only the year of any person's date of birth. If a claim is based on delivering health care goods or services, limit the disclosure of the goods or services to avoid embarrassment or disclosure of confidential health care information. You may later be required to give more information if the trustee or someone else in interest objects to the claim.

Priority claim: A claim within a category of unsecured claims that is entitled to priority under 11 U.S.C. §507(a). These claims are paid from the available money or property in a bankruptcy case before other unsecured claims are paid. Common priority unsecured claims include alimony, child support, taxes, and certain unpaid wages.

Proof of claim: A form that shows the amount of debt the debtor owed to a creditor on the date of the bankruptcy filing. The form must be filed in the district where the case is pending.

Redaction of information: Masking, editing out, or deleting certain information to protect privacy. Filers must redact or leave out information entitled to **privacy** on the *Proof of Claim* form and any attached documents.

Secured claim under 11 U.S.C. §506(a): A claim backed by a lien on particular property of the debtor. A claim is secured to the extent that a creditor has the right to be paid from the property before other creditors are paid. The amount of a secured claim usually cannot be more than the value of the particular property on which the creditor has a lien. Any amount owed to a creditor that is more than the value of the property normally may be an unsecured claim. But exceptions exist; for example, see 11 U.S.C. § 1322(b) and the final sentence of 1325(a).

Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment may be a lien.

Setoff: Occurs when a creditor pays itself with money belonging to the debtor that it is holding, or by canceling a debt it owes to the debtor.

Unsecured claim: A claim that does not meet the requirements of a secured claim. A claim may be unsecured in part to the extent that the amount of the claim is more than the value of the property on which a creditor has a lien.

Offers to purchase a claim

Certain entities purchase claims for an amount that is less than the face value of the claims. These entities may contact creditors offering to purchase their claims. Some written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court, the bankruptcy trustee, or the debtor. A creditor has no obligation to sell its claim. However, if a creditor decides to sell its claim, any transfer of that claim is subject to Bankruptcy Rule 3001(e), any provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.) that apply, and any orders of the bankruptcy court that apply.

Please send completed Proof(s) of Claim to:

Sears Holdings Corporation Claims Processing Center
c/o Prime Clerk LLC
850 3rd Avenue, Suite 412
Brooklyn, NY 11232

Do not file these instructions with your form

BH North America
Proof of Claim Summary
SEARS CONSOLIDATED CHAPTER 11 BANKRUPTCY CASES

BH NA POC	Where is POC Filed? Debtor Name/Case No.	Attachments No. of Invoices	General UNSECURED Non-Priority	Reclamation UNSECURED Non-Priority	Reclamation ADMIN (503(b)(9))	TOTAL
#1	Sears Holding Co. (18-23538)	21*	\$61,195.00 (17 invoices)	\$0.00	\$8,200.00 (^4 invoices)	\$69,395.00
#2	Sears Roebuck & Co. (18-23537)	4**	\$142,380.00 (2 invoices)	\$0.00	\$189,840.00 (^^2 Invoices)	\$332,220.00
	TOTALS	25	\$203,575.00	\$0.00	\$198,040.00	\$401,615.00
		<u>*SHC</u> <u>Invoices</u> INVC45987 INVC45988 INVC45989 INVC45990 INVC45991 INVC45992 INVC46100 INVC46101 INVC46102 INVC46103 INVC46135 INVC46136 INVC46137 INVC46150 INVC46152 INVC46153 ^INVC46819 INVC46820 ^INVC46821 ^INVC46822 ^INVC46823	<u>**SR&C</u> <u>Invoices</u> INVC45703 INVC46550 ^^INVC46824 ^^INVC46869			



BH North America
620 N. 2nd Street
St. Charles, MO 63301

INVOICE
INVC45703
05/23/2018

BILL TO:

Sears Roebuck & Company
Tom Arvia
Vendor # 000540658
3333 Beverly Rd.
Hoffman Estates, IL 60179
USA
P: (847) 286-3473

SHIP TO:

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SEARS HL WEST COAST DECON CTR
WILMINGTON, CA

Purchase Order #	Customer ID	Shipping Method	Payment Terms	Due Date	Order
SK2474	SEARS005	OCEAN FREIGHT	NET 75	08/06/18	ORD045475

Quantity Ordered	Quantity Shipped	Back Ordered	UOM	Item Number	Description	Price	Markdown	Extended Price
280	280	0	EA	STRATUM GS II	STRATUM GS II	\$169.50	\$0.00	\$47,460.00

Shipment Carrier: OCEAN FREIGHT

Shipment Tracking Number:

PER AGREEMENT	Markdown	\$0.00
	Subtotal	\$47,460.00
	Misc	\$0.00
	Tax	\$0.00
	Freight	\$0.00
	Trade Discount	\$0.00
	Total	\$47,460.00



BH North America
620 N. Main Center
St. Charles, MO 63301
 GST/HST: 82172 1826 RT0001
 QST: 1223032334TQ0001

BILL TO:

Sears Roebuck & Company
 Tom Arvia
 Vendor # 000540658
 3333 Beverly Rd.
 Hoffman Estates, IL 60179
 P: (847) 286-3473

INVOICE
INVC46550
08/22/2018

SHIP TO:

Page 1/1

Sears Roebuck & Company
 Tom Arvia
 Vendor # 000540658
 3333 Beverly Rd.
 Hoffman Estates, IL 60179
 P: (847) 286-3473

Purchase Order #	Customer ID	Shipping Method	Payment Terms	Due Date	Order
TD1505	SEARS005	OCEAN FREIGHT	NET 75	11/05/18	ORD046802

Quantity Ordered	Quantity Shipped	Back Ordered	UOM	Item Number	Description	Price	Markdown	Extended Price
560	560	0	EA	STRATUM GS II	STRATUM GS II	\$169.50	\$0.00	\$94,920.00

Shipment Carrier: OCEAN FREIGHT

Shipment Tracking Number:

PER AGREEMENT

Markdown	\$0.00
Subtotal	\$94,920.00
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
Total	\$94,920.00



BH North America
620 N. Main Center
St. Charles, MO 63301

GST/HST: 82172 1826 RT0001
QST: 1223032334TQ0001

BILL TO:

Sears Roebuck & Company
Tom Arvia
Vendor # 000540658
3333 Beverly Rd.
Hoffman Estates, IL 60179
P: (847) 286-3473

INVOICE

INVC46824

09/27/2018

SHIP TO:

Page 1/1

Sears Roebuck & Company
Tom Arvia
Vendor # 000540658
3333 Beverly Rd.
Hoffman Estates, IL 60179
P: (847) 286-3473

Purchase Order #	Customer ID	Shipping Method	Payment Terms	Due Date	Order
TD1502	SEARS005	OCEAN FREIGHT	NET 75	12/11/18	ORD046803

Quantity Ordered	Quantity Shipped	Back Ordered	UOM	Item Number	Description	Price	Markdown	Extended Price
560	560	0	EA	STRATUM GS II	STRATUM GS II	\$169.50	\$0.00	\$94,920.00

Shipment Carrier: OCEAN FREIGHT

Shipment Tracking Number:

PER AGREEMENT

Markdown	\$0.00
Subtotal	\$94,920.00
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
Total	\$94,920.00



BH North America
620 N. Main Center
St. Charles, MO 63301
 GST/HST: 82172 1826 RT0001
 QST: 1223032334TQ0001

BILL TO:

Sears Roebuck & Company
Tom Arvia Vendor # 000540658 3333 Beverly Rd. Hoffman Estates, IL 60179 P: (847) 286-3473

INVOICE
INVC46869
10/04/2018

SHIP TO:

Page 1/1

Sears Roebuck & Company
Tom Arvia Vendor # 000540658 3333 Beverly Rd. Hoffman Estates, IL 60179 P: (847) 286-3473

Purchase Order #	Customer ID	Shipping Method	Payment Terms	Due Date	Order
TD1504	SEARS005	OCEAN FREIGHT	NET 75	12/18/18	ORD046804

Quantity Ordered	Quantity Shipped	Back Ordered	UOM	Item Number	Description	Price	Markdown	Extended Price
560	560	0	EA	STRATUM GS II	STRATUM GS II	\$169.50	\$0.00	\$94,920.00

Shipment Carrier: OCEAN FREIGHT

Shipment Tracking Number:

PER AGREEMENT

Markdown	\$0.00
Subtotal	\$94,920.00
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
Total	\$94,920.00

Electronic Proof of Claim



Final Audit Report


2019-04-08


Created:	2019-04-08
By:	Sears Claims (searsclaims@primeclerk.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAASsFN672lc6Sjq097Dg4s3Abl8shO7EiE

"Electronic Proof of Claim" History

 Widget created by Sears Claims (searsclaims@primeclerk.com)
2019-04-08 - 6:58:49 PM GMT

 Martin A. Eliopulos (elio@higgslaw.com) uploaded the following supporting documents:
 Attachment
2019-04-08 - 7:10:11 PM GMT

 Widget filled in by Martin A. Eliopulos (elio@higgslaw.com)
2019-04-08 - 7:10:11 PM GMT- IP address: 70.164.116.2

 (User email address provided through API User-Agent: Mozilla/5.0 (Windows NT 10.0; Win64; x64) AppleWebKit/537.36 (KHTML, like Gecko) Chrome/73.0.3683.86 Safari/537.36)
2019-04-08 - 7:10:13 PM GMT- IP address: 70.164.116.2


 Signed document emailed to Sears Claims (searsclaims@primeclerk.com) and Martin A. Eliopulos (elio@higgslaw.com)
2019-04-08 - 7:10:13 PM GMT

EXHIBIT B



BH North America
620 N. Main Center
St. Charles, MO 63301
 GST/HST: 82172 1826 RT0001
 QST: 1223032334TQ0001

BILL TO:

Sears Roebuck & Company
 Tom Arvia
 Vendor # 000540658
 3333 Beverly Rd.
 Hoffman Estates, IL 60179
 P: (847) 286-3473

INVOICE
INVC46869
10/04/2018

SHIP TO:

Page 1/1

Sears Roebuck & Company
 Tom Arvia
 Vendor # 000540658
 3333 Beverly Rd.
 Hoffman Estates, IL 60179
 P: (847) 286-3473

Purchase Order #	Customer ID	Shipping Method	Payment Terms	Due Date	Order
TD1504	SEARS005	OCEAN FREIGHT	NET 75	12/18/18	ORD046804

Quantity Ordered	Quantity Shipped	Back Ordered	UOM	Item Number	Description	Price	Markdown	Extended Price
560	560	0	EA	STRATUM GS II	STRATUM GS II	\$169.50	\$0.00	\$94,920.00

Shipment Carrier: OCEAN FREIGHT

Shipment Tracking Number:

PER AGREEMENT

Markdown	\$0.00
Subtotal	\$94,920.00
Misc	\$0.00
Tax	\$0.00
Freight	\$0.00
Trade Discount	\$0.00
Total	\$94,920.00

on water

Issuer FACTORY NAME: ZHEJIANG HOPE SPORTS EQUIPMENT CO., LTD. ADDRESS: NO.19 HARDWARE ROAD, HARDWARE MACHINERY INDUSTRIAL ZONE WUYI, ZHEJIANG, CHINA		<h1 style="text-align: center;">COMMERCIAL INVOICE</h1>		
To BH NORTH AMERICA 755 N. MAIN CENTER ST. CHARLES, MO 63301				
		PURCHASE ORDER NUMBER: PO 08296(SEARS PO TD1504)	L/C NUMBER:	
Transport details FROM NINGBO, CHINA TO WILMINGTON, CA USA BY SEA		Terms of payment BY T/T		
Marks & Numbers	Description of Goods	Quantity	Unit price	Amount
			FOB NINGBO, CHINA	
SEARS TD1504 ITEM :140091302877 MADE IN:CHINA CONTENTS:1 SET SEARS DIV:606	PO 08296 (SEARS PO TD1504) STRATUM GS II BIKE	560PCS	USD111	USD62,160.00
TOTAL:USD62,160.00				
***** TERMS OF SALE:FOB STYLE NUMBER:STRATUM GS II COUNTRY OF ORIGIN:CHINA QUANTITY SHIPPED:560PCS SERIAL NO FOR THE SHIPMENT : 08296STRATUMGSII0001-08296STRATUMGSII0560 CONTAINER NUMBER: LTIU6031190, HMCU1024389				

Issuer ZHEJIANG HOPE SPORTS EQUIPMENT CO., LTD. NO.19 HARDWARE ROAD, HARDWARE MACHINERY INDUSTRIAL ZONE WUYI,ZHEJIANG, CHINA		<h2 style="text-align: center;">PACKING LIST</h2>			
To BH NORTH AMERICA 755 N. MAIN CENTER ST. CHARLES, MO 63301					
		PURCHASE ORDER NUMBER. PO 08296(SEARS PO TD1504)		L/C NUMBER:	
Marks & Numbers	Description of Goods	Quantity	Net weight	Gross weight	measurement
SEARS TD1504 ITEM :140091302877 MADE IN:CHINA CONTENTS:1 SET SEARS DIV:606	PO 08296 (SEARS PO STD1504) STRATUM GS II BIKE	560PCS 1PC/CARTON 560CARTONS	22400KGS	25760KGS	112.36CBM
TOTAL		560CARTONS	22400KGS	25760KGS	112.36CBM
<p>*****</p> <p>CONTAINER NUMBER: LTIU6031190, HMCU1024389</p>					

正 本
ORIGINAL

成交确认书
SALES CONFIRMATION

No.: HP-N1806027-3
Date: 2018-06-27
BH PO08296

Seller: Zhejiang Hope Sports Equipment Co., Ltd.
Address: No.19 Hardware Road, Hardware Machinery Industrial Zone,
Wuyi, Zhejiang, China
Buyer: BH North America Corporation
Address: 20155 ELLIPSE FOOTHILL RANCH, CA 92610

Sears PO TD1504
Tel: 86-020-89621492
Fax: 86-020-80922416
Tel: 886-910001382

The undersigned Seller and Buyer have agreed to close the following transaction according to the terms and conditions stipulated below:

Please kindly tell your company's Financial Dept. to pay your bank L/C charges.

Description	Quantity	Unit Price	Amount
STRATUM GSII SP1302 with 9567 METER 18kg flywheel. Chain driven, Handlebar: Height and Fore /Aft adjustment, seat and handlebar adjustable tube: Chrome Aluminium Water bottle holder (silver color), without water bottle, with meter SPECIAL technics flywheel sticker WITH NEW BRAKE KNOB	560 PCS.	USD111.00	FOB Ningbo, China USD62160.00
TOTAL: 560 PCS		TOTAL:	USD62160.00

1. Total Amount: SAY US DOLLARS SIXTY TWO THOUSAND ONE HUNDRED AND SIXTY ONLY.
2. Terms of Payment: TOTAL: **US\$ 62160.00** BY ORIGINAL IRREVOCABLE LETTER OF CREDIT 30 DAYS BEFORE PRODUCTION.
3. Packing: With User manual and CARTON BOX
4. Time of Delivery: Loading container time: 45 DAYS AFTER RECEIVING ORIGINAL IRREVOCABLE LETTER OF CREDIT 30 DAYS.

Sears PO TD1504, SHIP DATE: 29TH/SEP/2018

5. Port of Shipment and Destination: From Ningbo port to Sears Roebuck & Company
6. Insurance:
ON F.O.B./C.F.R. BASIS --- To be covered by the Buyers.
7. In case the buyers supply the trademark, patent, etc., in relation to intellectual property for production, they shall provide the Sellers with the certificate(s) attesting their legal right of using and shall then be responsible for all disputes arising therefrom.
8. The seller shall not be held liable for failure of delay in delivery of the goods under this Confirmation due to the Force Majeure incidents.
9. This sales confirmation shall be governed by and construed in accordance with the law of the People's Republic of China.

THE SELLERS

THE BUYERS

UPS Supply Chain Solutions™



Pg 24 of 24

OTI License No. 275F

FORWARDER'S CARGO RECEIPT

SHIPPER'S PARTY (COMPLETE NAME AND ADDRESS)
 ZHEJIANG HOPE SPORTS EQUIPMENT CO., LTD.
 NO. 19 HARDWARE ROAD, HARDWARE
 MACHINERY INDUSTRIAL ZONE WUYI,
 ZHEJIANG, CHINA

BOOKING NO.
 EGLV143882516833

CARGO RECEIPT NO.
 7798036785

EXPORT REFERENCES
 AWB 7798036785
 CUST FH1809128
 CUST.

DATE OF RECEIPT OF CARGO
 29-SEP-2018

CONSIGNEE (NOT NEGOTIABLE UNLESS CONSIGNED TO ORDER)
 SEARS, ROEBUCK AND CO..
 3333 BEVERLY ROAD,
 HOFFMAN ESTATES, IL 60179, USA

THIS IS NOT A DOCUMENT OF TITLE.

UPS SUPPLY CHAIN SOLUTIONS, INC.

Received by UPS SUPPLY CHAIN SOLUTIONS, INC. in external apparent good order and condition from Shipper, the package(s) listed below are said to contain the goods hereinafter described. This receipt is not valid unless verified and signed by an authorized signatory of UPS SUPPLY CHAIN SOLUTIONS. Unless a higher value is declared on this receipt and the extra charge paid, liability is limited to \$0.50 per pound of goods lost or damaged. If COGSA governs with the force of law, its limitation, described in paragraph 3 on the reverse hereof, controls unless a higher value is declared.

Declared Value is: _____

NOTIFY PARTY (COMPLETE NAME AND ADDRESS)
 UPS SUPPLY CHAIN SOLUTIONS
 19701 HAMILTON AVENUE
 TORRANCE, CA 90502
 ATTN: MARY ELLEN WRATSCHKO
 TEL: (310) 404-2792 FAX: (310) 404 2962

PRE-CARRIAGE BY _____ PLACE OF RECEIPT BY PRE-CARRIER
 NINGBO, CHINA

EXPORT LICENSE NO

BY AIR CARRIER VESSEL MOVING ABL
 CAPE KORTIA 0623-010E

PORT OF LOADING
 NINGBO, CHINA

PLACE OF DISCHARGE
 LOS ANGELES, CA

PLACE OF DELIVERY BY PRE-CARRIER
 WILMINGTON, CA

NUMBER OF ORIGINALS

PARTICULARS FURNISHED BY SHIPPER

MARKS & NOS./CONTAINER NOS	NO. OF PKGS.	DESCRIPTION OF PACKAGES AND GOODS	GROSS WEIGHT	MEASUREMENT
CTRNO: HMCU1024389 SEALCODE1: EMCMY05158	1	40' STANDARD CONTAINER 280 CARTON SAID TO CONTAIN 280 CARTON	12880.000 KG 28395.530 LB	56.180 M3 1983.716 F3
CTRNO: LTIU6031190 SEALCODE1: EMCMYF6896 MARKS & NO: SEARS TD1504 ITEM NO: 140091302877 MADE IN: CHINA (MAINLAND) CONTENT: 1 PIECES SEARS DIV SEARS	1	40' STANDARD CONTAINER 280 CARTON SAID TO CONTAIN 280 CARTON PO 08296 (SEARS PO STD1504) STRATUM GS II BIKE GD SM QTY: 560 PCS ORDER# TD1504 ITEM# 140091302877 REF. 801 DEPT NO. 080 THE ABOVE SHIPMENT DOES NOT	12880.000 KG 28395.530 LB	56.180 M3 1983.716 F3

The DESCRIPTION OF PACKAGES AND GOODS or piece count is for customs' purposes only.

In accordance with instruction from Buyer, we have received the following documents from shipper on: 27-JUL-2018

Document List	Original	Copy
CARGO RECEIPT		
COMMERCIAL INVOICE	0	1
PACKING LIST	0	1

This shipment will be handled subject to the terms set forth here and on the reverse of this document which are incorporated here by reference. These Terms limit or exclude UPS Supply Chain Solutions liability and include certain indemnities to UPS Supply Chain Solutions' benefit.

As Agent for UPS SUPPLY CHAIN SOLUTIONS, INC.

UPS SUPPLY CHAIN SOLUTIONS LIMITED NINGBO BRANCH
 NINGBO

Issued by _____

Oct 12 2018
 Month _____ Day _____ Year _____